



Quick Reference Guide Agency Budget Submittals

June 7, 2006

Office of Financial Management

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Overview

Washington operates on a two-year (biennial) budget cycle. In even-numbered years, agencies are required to submit their budget requests for the following biennium to the Office of Financial Management (OFM) for review and consideration. OFM budget analysts and executive policy assistants work with agencies and Governor Gregoire to translate her priorities into a budget recommendation to the Legislature in December.

Each fall, the director of OFM also asks for supplemental budget requests for the current biennium. These are typically due in October.

During the 2007 legislative session, the Legislature will consider both the 2007 supplemental budget (for the last year of the current biennium) and the 2007-09 biennial budget. Although the Governor can recommend budget amounts, only the Legislature has the legal authority to create expenditure authority through the appropriation process. Like any other bill, the Governor may sign the budget into law in its entirety, or veto all or part of it.

OFM Budget Instructions

Along with other requirements relating to the Governor's budget submittal, the state's Budget and Accounting statute (RCW 43.88) makes OFM responsible for issuing budget submittal instructions to state agencies at least 90 days before budget requests are due. OFM sends out several sets of instructions:



Operating Budget Instructions, Part 1: Strategic Plans and Performance Measures

Agency planning should include consideration of both agency and statewide priorities and strategies prior to any decisions on budget requests. Part 1 Instructions set out the guidelines for strategic plan development and submittal. They also provide guidance on the creation of appropriate performance measures for agency activities.

Operating Budget Instructions, Part 2: Decision Packages and Other Submittal Requirements

The majority of OFM's data requirements are contained in the second part of the operating budget instructions.

In order to ensure a consistent format for all submittals, OFM asks that agency expenditure information be summarized for two perspectives.

The first format is an incremental step table called a *Recommendation Summary*. This table displays how expenditures are expected to change between 2005-07 and 2007-09. It begins with legislative spending authority in the current biennium, and then lists each of the major changes the agency

Key Budget Links

[OFM Budget Web Page](#)

[Operating Budget Instructions, Part 1
Strategic planning, performance measures, and the "logic model".](#)

[Operating Budget Instructions, Part 2
Specific operating budget submittal requirements: data, format, agency due dates, coding, etc.](#)

[Capital Budget Instructions
Capital project submittal requirements.](#)

considers necessary to reach its new budget request. Changes are categorized as *Carry-forward Level*, *Maintenance Level*, or *Policy/Performance Level*.

The justification narrative, financial data, and performance information that support and explain each change are referred to as a *Decision Package*.

OFM also looks at the budget request in terms of the total cost of individual activities within agencies. This data is used in the POG process.

This budget data is submitted in both document and electronic form.

2007-2017 Capital Budget Instructions

Land acquisition, construction and major maintenance are considered capital expenses. Funding requests are grouped by project and submitted to OFM in the form indicated in the Capital Budget Instructions.

Because these investments can span multiple biennia, OFM is required to develop a 10-year plan displaying the expected long-term costs of the projects proposed in the Governor's budget. However, like the operating budget, capital expenses are only appropriated for a two-year period.

Priorities of Government (POG) Targeted Budget Instructions

In March, OFM director Victor Moore requested information and budget ideas from selected agencies.

These requests are unique to each agency and represent needs identified by POG teams for their deliberations in the fall.

Key Budget Dates

Fall 2005	POG Results Teams convene for first 2007-09 discussions. OFM issues Part 1 of the Operating Budget Instructions.
March 2006	POG Targeted Budget Instructions sent to agencies
April	2007-09 Operating (Part 2) and Capital Budget Instructions issued. 2006 Supplemental Budget recast to activities due to OFM. Budget systems available for 2007-09 budget development.
May 10	Program structure change requests due.
June	Strategic plans due June 1. Compensation detail updated in the Compensation Impact Model. Capital Pre-design requests due to OFM.
August 18 – September 1	Agency operating and capital budgets due to OFM (dates vary by agency).
August – November	Budget review by OFM and the Governor.
September	POG Results Teams reconvene.
Early November	POG Results Teams make purchase plan recommendations.
November – Early December	Final budget decisions by the Governor.
By December 20	Governor releases budget recommendations.
January 2007	Legislature convenes.
April/May	Likely timeframe for legislative passage of 2007-09 budget.

Computer Resource Links

Budget and Accounting Support Systems (BASS)

Other Resources

Priorities of Government

GMAP

Budget Glossary

Computer Resources

OFM maintains several web-based computer applications for agency budget development:

Salary Projection System (SPS)

SPS provides agencies with estimates of staffing-related costs such as FTEs and related salaries and benefits.

Budget Development System (BDS)

BDS helps an agency structure its budget data in the required OFM format, using decision packages as building blocks. It also creates relevant reports and the necessary electronic data for transmittal to OFM.

Capital Budget System (CBS)

CBS captures capital project detail in the necessary budget submittal format.

There are three corresponding applications – the Compensation Impact Model (CIM), WinSum, and BuildSum – that OFM analysts use to build and display the Governor's statewide budget recommendation.

Priorities of Government (POG)



What is POG?

The Priorities of Government process is a top-down, evidence-based budget decision framework that aligns dollars with the strategies and activities most likely to achieve statewide results.

The outcome of the POG team deliberations are presented to the Governor as information for her final considerations on the budget.

POG was first employed in 2002, as part of the 2003-05 executive budget deliberations. The 2007-09 budget represents its third iteration. The current statewide priorities vary only slightly from the original list.

POG's Ten Priorities of Government

- Improve student achievement.
- Improve the value of postsecondary learning.
- Improve the statewide mobility of people, goods and services.
- Improve health.
- Improve the quality of natural resources.
- Improve the security of vulnerable children and adults.
- Improve economic vitality.
- Improve the safety of people and property.
- Improve cultural and recreational opportunities.
- Improve state government's efficiency and effectiveness.

The fundamental assumption of POG is that the state activities chosen for funding should demonstrate the most direct effect on improving these statewide results – regardless of agency, fund source, or prior spending levels.

Contact Us for Help

OFM Budget Analyst
List (by agency)

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E-Mail

BASS E-Mail

BASS Help Desk
(360) 725-5278

Getting Your Agency's Internal Budget Process off the Ground



Although OFM directs the form and content of agency budget requests, it does not mandate any particular method for agencies' internal budget development.

Depending on the size and complexity of agency services and funding sources, an agency may begin budget planning six months or more before its August/September submittal date.

Even if your agency hasn't been discussing budget numbers, it has already started the budget process with the creation of a strategic plan. An effective plan helps connect an agency's mission and strategies to statewide priorities. This alignment is critical to success in the competition for limited state resources.

Suggested steps as you start your internal budget process:

- Read the OFM budget instructions.
- Contact OFM BASS for system training and assistance.
- Complete an agency strategic plan, focusing on evaluation of current strategies and any gaps between expectations and actual performance.
- Develop cost estimates for current and future activities.
- Consider the impact of other influences on your agency budget: Governor's policy priorities, the statewide economic picture, federal funds, legislative or court mandates, caseload forecasts, client demand, demographic trends, performance audits, GMAP assessments, revenue projections, unit costs, rate changes, etc.
- Contact your OFM budget analyst early in budget development to discuss assumptions and direction.

After the Agency Budget Request Goes to OFM

It's OFM's job to craft a budget that reflects the Governor's policy priorities within financial resources. This translation from policy to budget is accomplished through analysis of individual agency budget requests as well as consideration of statewide priorities and finances.

OFM staff will discuss agency budget requests and OFM recommendations with the Governor through early December. Copies of budget requests are also sent to legislative staff soon after receipt by OFM. During this timeframe, agencies should expect questions from both sources.

In November, POG teams complete their deliberations and these recommendations are communicated to the Governor.

The Governor's decisions are not final until the budget is released publicly around December 20. Related documents will be posted on OFM's internet site. Electronic data versions of both the Governor's budget and subsequent legislative versions are made available to agencies through the BASS Version Reporting Systems (VRS).